

NEIGHBORHOOD PRESERVATION ACT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To provide an incentive to rehabilitate owner occupied housing or to construct new owner occupied homes in certain areas of the state.

AUTHORIZATION

Sections 135.535(1), RSMo. (1999)

HOW THE PROGRAM WORKS

Department of Economic Development (DED) will issue state income tax credits to a home owner that either rehabilitates a home; or to a home owner or developer that constructs a new home that will be or is owner-occupied in certain designated areas of the state.

ELIGIBLE AREAS

- ?? Distressed communities as defined in 135.530, RSMo.
- ?? Qualifying areas that are within a U.S. census block which has a median household income of less than 70% of the median household income for the MSA or non-MSA in which it is located.
- ?? Eligible areas that are within a U.S. census block which has a median household income between 70-89% of the median household income for the MSA or non-MSA in which it is located.

Maps of eligible and qualifying areas can be found at www.ecodev/state.mo.us/ded/nparebuildcomm

ELIGIBLE APPLICANTS

Any person, partnership, corporation, trust or limited liability company who incurs eligible costs for a new residence or rehabilitates a residence for home owner occupancy that is located in a designated area.

ELIGIBLE USE OF TAX CREDITS

The tax credits may be used to offset Missouri income tax liability. They may not be refunded but may be carried back three years and carried forward five subsequent tax years. The credits are transferable upon notification to DED.

APPLICATION PROCEDURE

A pre-application is submitted to the DED, which includes cost estimates and scope of work to be done. The Department will grant preliminary approval based on a first come basis, starting the first working day of each calendar year. The applicant then submits a final application upon completion of the work. The amount awarded cannot exceed the preliminary approved amount.

The application and guidelines are available online at www.ecodev.state.mo.us/cd.

FUNDING LIMITS

The maximum credits available are \$16 million - \$8 million for qualifying areas and \$8 million for eligible areas.

The amount of credits available

- ?? New Residences in Eligible Areas –15% of eligible costs, tax credits cannot exceed \$25,000 per residence;
- ?? New Residences in Qualifying Areas – 15% of eligible costs, tax credits cannot to exceed \$40,000 per residence;
- ?? Rehabilitation in Eligible Areas – 25% of eligible costs, minimum costs \$10,000
Maximum tax credits cannot exceed \$25,000 per residence;
- ?? Rehabilitation in Qualifying Areas – 25% of eligible costs for residences not undergoing substantial rehabilitation, minimum costs \$5,000. Maximum tax credits cannot exceed \$25,000 per residence;

?? Rehabilitation in Qualifying Areas – 35% of eligible costs for residences undergoing substantial rehabilitation, minimum costs no less than \$5,000 AND greater than or equal to 50% of purchase price. Maximum tax credit cannot exceed \$70,000 per residence.

government in areas such as infrastructure improvement, housing, violence prevention, and community facilities. For more information please call (573) 751-5981 or visit www.ecodev.state.mo.us/ded/cd

SPECIAL PROGRAM REQUIREMENTS

The tax credits may be used to offset state income tax liability (Section 143, RSMo except sections 143.191 to 143.261).

Tax credits may not be claimed in addition to any other state tax credits with the exception of the historic structures rehabilitation tax credit authorized in sections 253.545 to 253.559 RSMo. If historic credits are claimed the maximum available credits shall be the lessor of 20% of the costs or \$40,000.

CONTACT

DED Community Development Group
301 W. High Street, PO Box 118
Jefferson City, MO 65102
Phone: (573) 751-5981
E-mail: cd@mail.state.mo.us.

OTHER SERVICES OF DED

DED REGIONAL OFFICES

St. Louis (314) 340-6823
Kansas City (816) 889-2900
Trenton (660) 359-5960
Springfield (417) 888-4001
Moberly (660) 269-8802
Dexter (573) 624-9950
Houston (417) 967-5770
Jefferson City (573) 751-0482

RELAY MISSOURI SERVICE

Voice user calling a hearing/speech impaired user: 800-735-2466.
Hearing/Speech impaired user calling a voice user: 800-735-2966

COMMUNITY DEVELOPMENT

The Community Development Group offers over 10 different tax credit and grant programs to specifically meet the needs of not for profit organizations, community groups, and local